

New York Times fashions “egalitarian” defense of Obama health plan

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The passage of the Obama administration's health care bill has unleashed a barrage of media self-congratulation. This campaign has a large propaganda component: some polls find 59 percent opposition to the bill, amid popular suspicion that this "reform" is not what it is said to be.

For the Democratic Party, the question of how the public reacts to the bill is—to cite the eloquent words of Vice President Joe Biden—a "big f___ing deal."

As the press moves to dispel popular anxiety, the *New York Times'* David Leonhardt has received one of the more sleazy assignments—presenting Obama's health plan as part of a struggle for social equality.

In his article, published on the front page of Wednesday's *Times* ("In Health Bill, Obama Attacks Wealth Inequality"), Leonhardt praises the bill as "the federal government's biggest attack on economic inequality since inequality began rising more than three decades ago."

He describes the bill as part of a "deliberate effort to end what historians have called the age of Reagan"—that is, the dominance of right-wing, free market policies in the 30-year period since the election of Ronald Reagan in 1980.

This assessment of the bill and of the Obama administration is a cynical lie.

It is hardly a secret that Obama's health plan entails huge cuts to US social programs. One day before the publication of Leonhardt's article, the *Times* noted: "Central to the health care changes are hundreds of billions of dollars in reductions in Medicare spending over time and expansions of Medicaid... That leaves Social Security, the other big entitlement benefits program and one that Mr. Obama has suggested in the past that he is willing to tackle."

To avoid this point, Leonhardt does not spend much time discussing the content of the bill. He notes in passing, "Much about the health reform remains unknown."

As proof of the health bill's alleged egalitarian character, he selects two points from the legislation: lower-income workers' access to insurance subsidies or Medicaid, and plans to increase payroll taxes on the wealthy. This hardly exhausts the examination of a bill which, in its current form, runs to 2,409 pages and includes extensive, confusing references to other bills.

Even a summary reading of the bill suggests that it is driven by an agenda of cutting costs, and thus, inevitably, the quality of health care for large sections of the population—something that will, of course, increase social inequality.

The bill creates a universal individual obligation to buy health insurance from private companies on health insurance "exchanges" set up by the government. Employers who do not cover their employees will have to pay a \$2,000 fine for each worker, past the first 30, without health insurance. Individuals who do not buy insurance also face fines.

A few questions that Leonhardt does not take the time to ask should be raised:

(1) What will workers have to pay as "cost-sharing" with insurance companies, and what services will they receive under Medicaid as the federal and state governments push for more spending cuts?

(2) If the bill is designed to ensure equality in access to health care, as Leonhardt suggests, why does it create multiple gradations of plans—platinum, gold, silver, bronze, and sub-bronze plans—based on the percentage of the "full actuarial value of the benefits" that various plans in fact provide?

(3) A small business employing 50 workers and

currently paying \$5,000 apiece for health care coverage could scrap coverage for all of its employees and, under the terms of the bill, pay a \$2,000 fine on 20 workers. Its health care costs would drop from \$250,000 to \$40,000. As companies face further credit crunches and possible bankruptcy, how many will go this route and force their workers to individually purchase inferior coverage on the exchanges?

Ultimately, with such a massive and unwieldy piece of legislation, clear answers are unlikely to be found in the text of the bill—whose implications will be fought out by armies of lawyers and businesses. However, the questions themselves point to the huge political issues hiding in the thousands of pages of fine print.

Leonhardt writes that "the central question that both the Reagan and Obama administrations have tried to answer—what is the proper balance between the market and the government?—remains unresolved. But the bill signed on Tuesday certainly shifts our place on that spectrum."

This is simply absurd. Obama's health bill does not involve a clash between "the market" and "the government," i.e., between private and public interests, but rather the use of government authority to limit liabilities and guarantee profits for business in general and private insurers, pharmaceutical companies and hospital chains, in particular.

In that, it is of a piece with the Obama administration's bailouts, which handed over trillions in government funds to the banks. Such policies produce not a new dawn for social equality, but the entrenchment of a financial aristocracy at the expense of the working population.

In describing the intervention of the government, Leonhardt completely suppresses the question of which class the state is acting to defend.

He undermines his own false dichotomy by quoting Obama's favorable views of Reagan. "Reagan's central insight—that the liberal welfare state had grown complacent and overly bureaucratic--contained a good deal of truth," according to the current president.

As for Leonhardt himself, he is on the record as supporting health care rationing and opposing equality of access to health care. In a June 17, 2009 article ("Health Care Rationing Rhetoric Overlooks Reality") he wrote: "Even in the United States, the richest society in human history, we are constantly rationing. We

ration spots in good public high schools. We ration lakefront homes. We ration the best cuts of steak and wild-caught salmon. Health care, I realize, seems as if it should be different. But it isn't."

Such comments express the outlook of a privileged, insulated class that views the living conditions of masses of people with indifference and contempt. Leonhardt recounts a telling anecdote about Lawrence Summers, the former president of Harvard University and now Obama's top economic advisor.

Leonhardt writes that Summers was "helping his daughter study for her Advanced Placement exam in American history. While doing so, Mr. Summers realized that the federal government had not passed major social legislation in decades. There was the frenzy of the New Deal, followed by the GI Bill, the Interstate Highway System, civil rights, and Medicare—and then nothing worth its own section in the history books."

Is it too much to suggest that an administration whose top economic adviser could remain oblivious to the 45-year social retrogression in the US did not start from the problems facing masses of people when it drafted its health care bill?



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